

STATE BONDING FUND
INVESTMENT PERFORMANCE REPORT AS OF OCTOBER 31, 2007

	October-07				September-07				Current	Prior Year	3 Years	5 Years
	Market Value	Allocation	Month	Net ROR	Market Value	Allocation	Quarter	Net ROR	FYTD	FY07	Ended	Ended
		Actual	Policy			Actual	Policy		Net	Net	6/30/2007	6/30/2007
											Net	Net
LARGE CAP DOMESTIC EQUITY												
<i>Structured Growth</i>												
Los Angeles Capital	74,007	2.7%	2.8%	2.29%	74,953	2.8%	2.8%	0.38%	2.68%	21.84%	13.35%	N/A
Total Structured Growth	74,007	2.7%	2.8%	2.29%	74,953	2.8%	2.8%	0.38%	2.68%	21.84%	13.35%	10.94%
<i>Russell 1000 Growth</i>				3.40%				4.21%	7.75%	19.04%	8.70%	9.28%
<i>Structured Value</i>												
LSV	73,865	2.7%	2.8%	0.06%	73,074	2.7%	2.8%	-0.89%	-0.83%	23.77%	19.00%	16.55%
<i>Russell 1000 Value</i>				0.01%				-0.24%	-0.23%	21.87%	15.93%	13.31%
<i>Russell 1000 Enhanced Index</i>												
LA Capital	152,997	5.6%	5.6%	2.65%	149,216	5.6%	5.6%	0.24%	2.90%	21.27%	13.46%	N/A
<i>Russell 1000</i>				1.74%				1.98%	3.76%	20.43%	12.34%	
<i>S&P 500 Enhanced Index</i>												
Westridge	170,531	6.3%	5.6%	1.67%	165,370	6.2%	5.6%	2.18%	3.89%	21.12%	11.98%	N/A
<i>S&P 500</i>				1.59%				2.03%	3.65%	20.59%	11.68%	
<i>Index</i>												
State Street	45,749			-0.10%	45,313			-0.80%	-0.89%	21.82%	12.34%	11.08%
Total 130/30	45,749	1.7%	1.9%	-0.10%	45,313	1.7%	1.9%	-0.80%	-0.89%	21.82%	12.34%	11.08%
<i>S&P 500</i>				1.59%				2.03%	3.65%	20.59%	11.68%	10.71%
TOTAL LARGE CAP DOMESTIC EQUITY	517,149	19.0%	18.8%	1.66%	507,926	19.0%	18.8%	0.62%	2.29%	21.86%	13.76%	12.22%
<i>S&P 500</i>				1.59%				2.03%	3.65%	20.59%	11.68%	10.71%
SMALL CAP DOMESTIC EQUITY												
<i>Manager-of-Managers</i>												
SEI	87,347	3.2%	3.1%	2.53%	85,169	3.2%	3.1%	-3.66%	-1.22%	18.39%	13.70%	14.37%
<i>Russell 2000 + 200bp</i>				3.04%				-2.60%	0.36%	18.76%	15.72%	16.16%
<i>Enhanced</i>												
Research Affiliates	82,206	3.0%	3.1%	1.19%	81,205	3.0%	3.1%	N/A	N/A	N/A	N/A	N/A
<i>Russell 2000</i>				2.87%				-3.09%	-0.31%			
TOTAL SMALL CAP DOMESTIC EQUITY	169,552	6.2%	6.3%	1.88%	166,374	6.2%	6.3%	-4.98%	-3.19%	18.39%	13.70%	14.37%
<i>Russell 2000</i>				2.87%				-3.09%	-0.31%	16.44%	13.45%	13.88%
INTERNATIONAL EQUITY												
<i>Large Cap - Active</i>												
Capital Guardian	114,259	4.2%	4.0%	4.38%	107,829	4.0%	4.0%	0.61%	5.01%	25.99%	21.19%	14.89%
LSV	111,688	4.1%	4.0%	2.93%	109,462	4.1%	4.0%	-3.37%	-0.53%	31.24%	N/A	N/A
Total Large Cap - Active	225,947	8.3%	8.0%	3.65%	217,291	8.1%	8.0%	-1.43%	2.17%	28.57%	22.95%	18.43%
<i>MSCI EAFE - 50% Hedged</i>				3.25%				0.11%	3.36%	26.94%	22.55%	15.71%
<i>Small Cap - Value</i>												
Lazard	27,279	1.0%	1.0%	6.00%	26,592	1.0%	1.0%	-3.92%	1.85%	21.03%	20.93%	N/A
<i>Citigroup Broad Market Index < \$2BN</i>				4.70%				-0.66%	4.01%	28.58%	26.34%	
<i>Small Cap - Growth</i>												
Vanguard	27,946	1.0%	1.0%	5.96%	26,023	1.0%	1.0%	-1.48%	4.39%	31.00%	28.08%	N/A
<i>Citigroup Broad Market Index < \$2BN</i>				4.70%				-0.66%	4.01%	28.58%	26.34%	
TOTAL INTERNATIONAL EQUITY	281,172	10.4%	10.0%	4.10%	269,907	10.1%	10.0%	-1.70%	2.34%	28.02%	23.43%	17.15%
<i>MSCI EAFE - 50% Hedged</i>				3.25%				0.11%	3.36%	26.94%	22.55%	15.71%
DOMESTIC FIXED INCOME												
<i>Core Bond</i>												
Western Asset	445,898	16.4%	17.1%	0.95%	439,212	16.4%	17.1%	1.87%	2.84%	7.29%	4.44%	5.64%
<i>Lehman Aggregate</i>				0.90%				2.84%	3.77%	6.12%	3.98%	4.48%
<i>Mortgage Backed</i>												
Hyperion	122,216	4.5%	4.4%	0.28%	119,544	4.5%	4.4%	-1.78%	-1.50%	N/A	N/A	N/A
<i>Lehman Global Aggregate (US Securitized Portion)</i>				1.33%				3.88%	5.26%			
<i>Core Plus/Enhanced</i>												
Clifton Group	126,777	4.7%	4.4%	0.80%	124,007	4.6%	4.4%	4.41%	5.25%	5.52%	N/A	N/A
Prudential	123,591	4.6%	4.4%	0.86%	120,714	4.5%	4.4%	1.95%	2.82%	N/A	N/A	N/A
Total Core Plus/Enhanced	250,368	9.2%	8.8%	0.83%	244,721	9.1%	8.8%	3.18%	4.04%	5.95%	N/A	N/A
<i>Lehman Aggregate</i>				0.90%				2.84%	3.77%	6.12%		
<i>Index</i>												
Bank of ND	219,719	8.1%	7.7%	0.84%	218,634	8.2%	7.7%	3.09%	3.97%	5.45%	2.92%	4.32%
<i>Lehman Govt/Credit (1)</i>				0.91%				3.01%	3.94%	6.00%	3.04%	4.35%
<i>BBB Average Quality</i>												
Wells Capital (formerly Strong)	441,371	16.3%	17.1%	1.16%	433,385	16.2%	17.1%	1.48%	2.66%	7.93%	4.86%	6.59%
<i>Lehman US Credit BAA</i>				1.46%				1.67%	3.15%	7.54%	4.47%	6.59%
TOTAL DOMESTIC FIXED INCOME	1,479,573	54.5%	55.0%	0.92%	1,455,495	54.4%	55.0%	1.84%	2.78%	7.11%	3.89%	5.04%
<i>Lehman Aggregate (2)</i>				0.90%				2.84%	3.77%	6.12%	4.13%	4.87%
CASH EQUIVALENTS												
Bank of ND	268,482	9.9%	10.0%	0.36%	277,473	10.4%	10.0%	1.24%	1.60%	5.36%	4.10%	3.00%
<i>90 Day T-Bill</i>				0.30%				1.34%	1.64%	5.21%	3.78%	2.76%
TOTAL BONDING FUND	2,715,929	100.0%	100.0%	1.39%	2,677,175	100.0%	100.0%	0.63%	2.02%	12.43%	8.06%	8.32%
<i>POLICY TARGET BENCHMARK</i>				1.33%				1.92%	3.28%	11.30%	7.64%	7.64%

NOTE: Monthly returns and market values are preliminary and subject to change.

(1) From April 1, 2004, through June 30, 2005, the benchmark was the LB Intermediate Govt/Credit index.

(2) Prior to July 1, 2005, the benchmark was LB Govt/Credit Index.